Supreme Court, U.S.
FILED

FEB 11 2002

OFFICE OF THE CLERK

NO. 01-1468

In the

SUPREME COURT OF THE UNITED STATES

October Term 2001

PHONOMETRICS, INC.,

Petitioner,
v.

HOTEL CORPORATION OF THE PACIFIC
(doing business as ASTON HOTELS & RESORTS)

Respondent.

On Petition for Writ of Certiorari To the United States Court of Appeals For the Federal Circuit

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CORRECTED PETITION FOR A WRIT OF CERTIORARI

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PHONOMETRICS, INC.

QUESTIONS PRESENTED

1. Where a party joined in a Rule 12(e) motion on April 29, 1996, and joined in a Rule 12(b)(6) motion on October 23, 1998, omitting a defense of lack of personal jurisdiction in both motions, may that party file a Rule 12(b)(2) motion on May 3, 2000?

2. Is jurisdiction proper under 28 U.S.C. §1400(b) where Aston Hotels & Resorts advertises in telephone directories that it has a regular and established place of business at 345 Taylor Street in San Francisco (A-5 to A-7) and has at least two hotels in San Francisco (A-8) that provide call accounting information to hotel guests upon checking out of the hotel in violation of a United States Patent?

CORPORATE DISCLOSURE STATEMENT

Petitioner, Phonometrics, Inc., is a Florida corporation. There are no parent corporations. No publicly held company owns 10% of Phonometrics, Inc.

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CORRECTED PETITION FOR A WRIT OF CERTIORARI

The caption contains all parties to the proceeding below, although the Rule 12(b)(2) motion was filed only on behalf of Hotel Corporation of the Pacific, doing business as Aston Hotels & Resorts. There are no parent or subsidiary companies to be listed.

JURISDICTION

The Judgment of the United States Court of Appeals for the Federal Circuit was entered on October 3, 2001. The Petition for Rehearing was denied on November 13, 2001. Jurisdiction in this Court is grounded on 28 U.S.C. §1254(1).

APPLICABLE RULES

Fed. R. Civ. P. 7(a) reads:

Rule 7. Pleadings allowed: Form of Motions

(a) Pleadings. There shall be a complaint and an answer; a reply to a counterclaim denominated as such; an answer to a cross-claim, if the answer contains a cross-claim; a third-party complaint, if a person who is not an original party is summoned under the provisions of Rule 14; and a third-party answer, if a third-party complaint is served. No other pleading shall be allowed, except that the court may order a reply to an answer or a third-party answer.

Fed. R. Civ. P. 12(b)(2) and 12(b)(6) read:

(b) How Presented. Every defense, in law or fact, to a claim for relief in any pleading . . . shall be asserted in a responsive pleading . . . except that the following defenses may at the option of the pleader be made by motion: . . . (2) lack of jurisdiction over the person, . . . (6) failure to state a claim upon which relief can be granted.

Fed. R. Civ. P. 12(e) provides:

(e) Motion for More Definite Statement. If a pleading to which a responsive pleading is permitted is so vague or ambiguous that a party cannot reasonably be required to frame a responsive pleading, the party may move for definite statement before interposing a responsive pleading.

Rule 12 (g) provides:

(g) Consolidation of Defenses in Motion. A party who makes a motion under this rule may join with it any other motions herein provided for and then available to the party. If a party makes a motion under this rule but omits therefrom any defense or objection then available to the party this rule permits to be raised by motion, the party shall not thereafter make a motion based on the defense or objection so omitted, except a motion as provided in subdivision (h)(2) hereof on any of the grounds there stated.

Rule 12(h)(1) and (2) provide:

> (h) **Waiver or Preservation of Certain Defenses.**
>
> (1) A defense of lack of jurisdiction over the person, . . . is waived (A) if omitted from a motion in the circumstances described in subdivision (g), or (B) if it is neither made by motion under this rule nor included in a responsive pleading or an amendment thereof permitted by Rule 15(a) to be made as a matter of course.
>
> (2) A defense of failure to state a claim upon which relief can be granted, . . . may be made in any pleading permitted or ordered under Rule 7(a), or by motion for judgment on the pleadings, or at the trial on the merits.

STATEMENT OF THE CASE

Jurisdiction of the Federal Circuit was based on 28 U.S.C. §1295(a)(1) in this patent case.

Phonometrics, Inc. sued a number of hotel chains, including Aston Hotels & Resorts ("Aston") on February 26, 1996. On April 29, 1996, Hotel Corporation of the Pacific, Inc. d.b.a. Aston Hotels & Resorts "as and for its response to the complaint filed by Plaintiff, Phonometrics, Inc. hereby joins" the Rule 12(e) motion for a more definite statement filed by codefendant Red Lion Hotels, Inc. (A-10). It omitted a defense of a lack of jurisdiction over the person under Rule 12(b)(2) under the circumstances described in Rule 12(g). Accordingly, the defense was waived under Rule 12(h)(1)(A).

On October 23, 1998, the district court *sua sponte* dismissed the complaint for failure to plead specific facts

(A-13). The district court did not denominate the motion as being under Rule 12(b)(6), and it was not a pleading permitted by rule 7(a), was not a motion for judgment on the pleadings, and it was not at the trial on the merits. Accordingly, it did not comply with Rule 12(h)(2).

Aston joined in this second Rule 12 motion just as it joined in the first. It filed a motion for an award of attorney fees under 35 U.S.C. §285 as a prevailing party in the dismissal of the complaint. The award was granted by the district court as an adjunct to the *sua sponte* motion to dismiss. The award of attorney fees was vacated, as was the motion to dismiss in *Phonometrics, Inc. v. Hospitality Franchise Systems, Inc.*, 203 F.3d 790 (Fed. Cir. 2000). The Federal Circuit, in reversing, denominated the *sua sponte* motion as under Rule 12(b)(6).

On remand from the Federal Circuit, the district court denied the motion for a more definite statement under Rule 12(e) on April 3, 2000 (A-17).

On September 25, 2000, the district court granted Aston's motion to dismiss under Rule 12(b)(2) for lack of personal jurisdiction (A-20 to A-25). Evidence that Aston had a regular and established place of business at 345 Taylor Street in San Francisco with two telephone numbers (A-5) and had two or three Aston hotels in San Francisco (A-6 and A-7) was said to be "extremely minimal contacts with California" because the hotels "are owned by HCP, Inc., merely use the Aston name, do not produce profits for Aston, and are not managed by Aston" (A-24). In its initial pleading (A-10), Aston admitted that it does business as "Aston Hotels & Resorts," the very name used on the regular and established place of business in San Francisco (A-5) and on the hotels (A-6 and A-7).

On October 3, 2001, the Federal Circuit affirmed *per curiam* without opinion.

On November 13, 2001, the panel and the Federal Circuit *en banc* denied the petition for rehearing.

ARGUMENT

1. THE DEFENSE OF LACK OF PERSONAL JURISDICTION WAS WAIVED.

Phonometrics requests that the writ be granted and the matter remanded to the Federal Circuit for consideration of Rules 12(g) and (h)(1). Aston waived its defense of lack of jurisdiction over the person by omitting the defense from its first and second Rule 12 Motions.

Rule 12(h)(1) is clear that the "defense of lack of jurisdiction over the person" is waived "if omitted from a motion in the circumstances described by subdivision (g)." Subdivision (g) states that a "party shall not thereafter make a motion based on the defense" of Rule 12(b)(2) if omitted from a first motion. Here, there were not only one but two Rule 12 motions filed during the four years that the case was pending, neither of which included Rule 12(b)(2). "The waiver reinforces the policy of subdivision (g) forbidding successive motions" (Advisory Committee Notes to 1966 amendment to Rule 12(h)). "Jurisdictional objections to the court's power over the person are waived unless timely asserted by motion or answer" *Zelson v. Thumforde*, 412 F.2d 56, 58 (3rd Cir. 1969).

The present case resembles the recent case of *Uffner v. La Reunion Francaise, S. A.*, 244 F.3d 38, 40 (1st Cir. 2001): "By failing to include a 12(b)(2) argument in their motion to dismiss, appellees waived this defense in the

district court [citation omitted]. Once a party has waived the defense of lack of personal jurisdiction, the court may not, *sua sponte*, raise the issue in its ruling on a motion to dismiss."

The waiver is complete and cannot be undone years later. The case should be remanded to consider the clear import of Rule 12(g) and (h).

2. HOTEL CORPORATION OF THE PACIFIC ADMITTED THAT IT DOES BUSINESS AS ASTON HOTELS AND RESORTS.

Phonometrics requests that the writ be granted and the matter be remanded to the Federal Circuit to consider the evidence of minimum contacts under *International Shoe Corp. v. Washington*, 326 U.S. 310 (1945). The district court and the Federal Circuit ignored the evidence that Aston did business in the Northern District of California.

If Hotel Corporation of the Pacific was not the proper defendant sued as Aston Hotels and Resorts, it should have raised the defense with its first Rule 12 motion. The Advisory Committee Notes for the 1966 Amendments to Rule 12(h) point out that "[s]ince the language of the subdivisions is made clear, the party is put on fair notice of the effect of his actions and omissions and can guard against unintended waiver." Instead of challenging personal jurisdiction, Aston admitted that Hotel Corporation of the Pacific does business as Aston. By implication, the abbreviation HCP also does business as Aston. The district court acknowledged that HCP, Inc. does business as Aston (A-24). Four years after the complaint was filed, Aston hired new counsel who tried to undo the admission that Hotel Corporation of the Pacific

does business as Aston Hotels & Resorts. There was no evidence at all admitted that HCP owns the San Francisco Aston hotels, contrary to the statement of the district court (A-24). There was only argument of counsel and no evidence. If Hotel Corporation of the Pacific and HCP are unrelated entities that do business as "ASTON HOTELS & RESORTS", both should have responded to the complaint. Only Hotel Corporation of the Pacific waived service of process in 1996. HCP did not respond to the suit against Aston Hotels & Resorts, the entity that advertised the San Francisco Hotels in the Directory of the American Hotel and Motel Association (A-8).

The same Advisory Committee Notes state that a "party who by motion invites the court to pass upon a threshold defense should bring forward all the specified defenses he then has and thus allow the court to do a reasonably complete job." Instead, Aston filed serially a Rule 12(e) motion in 1996 (A-10), a Rule 12(b)(6) motion in 1998 (A-12), and a Rule 12(b)(2) motion in 2000 (A-18). All three are threshold motions that should not have been spread over four years. All three "present preliminary matters that normally should be adjudicated early in the action" Wright & Miller, *Federal Practice and Procedure*, §1349. Not only had four years passed, but the case had been appealed to the Federal Circuit twice, once on the *sua sponte* dismissal and once on the award of attorney fees. This is not "early in the action."

The complaint alleges that Aston infringes the patent. Aston had minimum contacts with the Northern District of California by reason of its listing of three hotels in San Francisco in the Hotel and Motel Association

Directory (A-8), the travel agent directories (A-5) and the telephone directories (A-6 and A-7). These directories are admissible as evidence under Fed. R. Evid. 803(17) as "generally used and relied upon by the public or by persons in particular occupations." The evidence should not have been ignored as "extremely minimal contacts" (A-24). Aston "should reasonably anticipate being haled into court there" *World Wide Volkswagen Corp. v. Woodson*, 444 U.S. 286, 287 (1980) as it was in fact. The district court in the Southern District of Florida, to whom the case was transferred by the Judicial Panel on Multidistrict Litigation, did not consider the evidence of contacts with the Northern District of California.

There can be no doubt that Aston has a regular and established place of business in San Francisco, and the waiver of service by the original counsel for Aston (A-21) acknowledges that service of process in San Francisco of this patent infringement action was proper under 28 U.S.C. §1694. Aston cannot undo the personal jurisdiction that was proper in the year 1996 by motion in the year 2000. Jurisdiction over the person does not require proof of the tort of patent infringement to lie *Perkins v. Benguet Consolidated Mining Co.*, 342 U.S. 437 (1952). It is enough to have regularly done or solicited business in the forum, which is clearly the case here. On the merits, there are minimum contacts within the meaning of *International Shoe Corp. v. Washington*, 326 U.S. 310 (1945).

CONCLUSION

Aston filed three Rule 12 motions over four years, which is barred by Rule 12(h)(1)(A). Aston waived its Rule 12(b)(2) defense by waiting four years to assert it. On the merits, Aston had contacts with the Northern District of

California sufficient to satisfy *International Shoe Corp. v. Washington*. The Federal Circuit should be directed to address both points on remand.

Dated: March 28, 2002

Respectfully submitted,

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Attorney for Petitioner
PHONOMETRICS, INC.

APPENDIX A

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

FILED
U.S. COURT OF APPEALS FOR
THE FEDERAL CIRCUIT
OCT 5 2001
JAN HORBALY
CLERK

01-1018

PHONOMETRICS, INC.,
Plaintiff-Appellant,
v.
HOSPITALITY FRANCHISE SYSTEMS, INC., MOTEL 6, L.P., INTERSTATE HOTELS CORPORATION, SRS HOTELS, FAIRMONT HOTEL MANAGEMENT COMPANY, CLUBHOUSE INNS OF AMERICA, VAGABOND INNS, INC., ECONOMY INNS OF AMERICA, NENDELS CORPORATION, AMFAC RESORTS, SUMMERFIELD SUITES HOTELS, GROSVENOR HOTELS GROUP, PAN PACIFIC HOTELS AND RESORTS, BENCHMARK HOSPITALITY, INNCAL, INC., RAPHAEL HOTEL GROUP, COASTAL HOTEL GROUP, CHASE MANAGEMENT CORPORATION, ANDREW HOTEL MANAGEMENT COMPANY, RED LION HOTELS AND INNS, OUTRIGGER LODGING SERVICES, COLONY HOTELS & RESORTS, PARK LANE HOTELS INTERNATIONAL, E-Z 8 MOTEL, INC. and NIKKO HOTELS (U.S.A.), INC.
And
HOTEL CORPORATION OF THE PACIFIC
(doing business as Aston Hotels & Resorts),
Defendant-Appellee.

JUDGMENT

ON APPEAL from the United States District Court for the Southern District of Florida in Case No(s). 97-CV-8125.

This CAUSE having been heard and considered, it is

ORDERED and ADJUDGED:

Per Curiam (MICHEL, Circuit Judge, ARCHER, Senior Circuit Judge, and RADER, Circuit Judge):

AFFIRMED. *See* Fed. Cir. R. 36

Dated: October 3, 2001

ENTERED BY ORDER OF THE COURT

JAN HORBALY, Clerk

Issued as a mandate: November 20, 2001

APPENDIX B

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

01-1018

FILED
U.S. COURT OF APPEALS FOR
THE FEDERAL CIRCUIT
NOV 13 2001
JAN HORBALY
CLERK

PHONOMETRICS, INC.,
Plaintiff-Appellant,

v.

HOSPITALITY FRANCHISE SYSTEMS, INC., MOTEL 6, L.P., INTERSTATE HOTELS CORPORATION, SRS HOTELS, FAIRMONT HOTEL MANAGEMENT COMPANY, CLUBHOUSE INNS OF AMERICA, VAGABOND INNS, INC., ECONOMY INNS OF AMERICA, NENDELS CORPORATION, AMFAC RESORTS, SUMMERFIELD SUITES HOTELS, GROSVENOR HOTELS GROUP, PAN PACIFIC HOTELS AND RESORTS, BENCHMARK HOSPITALITY, INNCAL, INC., RAPHAEL HOTEL GROUP, COASTAL HOTEL GROUP, CHASE MANAGEMENT CORPORATION, ANDREW HOTEL MANAGEMENT COMPANY, RED LION HOTELS AND INNS, OUTRIGGER LODGING SERVICES, COLONY HOTELS & RESORTS, PARK LANE HOTELS INTERNATIONAL, E-Z 8 MOTEL, INC. and NIKKO HOTELS (U.S.A.), INC.

And

HOTEL CORPORATION OF THE PACIFIC
(doing business as Aston Hotels & Resorts),
Defendant-Appellee

ORDER

A combined petition for panel rehearing and for rehearing en banc having been filed by the Appellant, and the petition for rehearing having been referred to the panel that heard the appeal, and thereafter the petition for rehearing en banc having been referred to the circuit judges who are in regular active service,

UPON CONSIDERATION THEREOF it is

ORDERED that the petition for panel rehearing be, and the same hereby is, DENIED and it is further

ORDERED that the petition for rehearing en banc be, and the same hereby is, DENIED.

The mandate of the court will issue on November 20, 2001.

FOR THE COURT

Jan Horbaly
Clerk

Dated: November 13, 2001

cc: John P. Sutton
Ury Fischer

PHONOMETRICS V. HOSPITALITY FRANCHIS,
01-1018 (DCT – 97-CV-8125)

APPENDIX C

SAN FRANCISCO FOR A SONG

HOTEL MARK TWAIN	THE ASTON PICKWICK HOTEL
From $75 per room	From $65 per room
A San Francisco landmark in the heart of "The City" – a short stroll from Union Square, the cable cars, theaters and the Nordstrom-San Francisco Centre. Restaurant, cocktail lounge and meeting rooms.	*Only ½ block from the cable car turnaround, and the San Francisco Centre, three blocks to Union Square, and two blocks from the Moscone Center! Restaurant, cocktail lounge and meeting rooms. Newly refurbished guest rooms.*
345 Taylor Street, San Francisco, CA 94102 800-288-9246 – Fax 415-398-0733	85 Fifth Street, San Francisco, CA 94103 800-227-3282 – Fax 415-243-8056
24-Hour Reservations	Toll Free 800-922-7866 *ASTON*
Airline Systems Access Code AH	10% Commission to Travel Agents
Deluxe rooms, suites available in both locations. All rates subject to 11% Hotel Tax.	Special rates for groups, corporations, seniors and agents.

APPENDIX D

ASTON HOTELS & RESORTS

ASTON Hotels & Resorts

The Majestic
The Regis
Hotel Mark Twain

RESERVATIONS

HOTEL MARK TWAIN	
345 Taylor	673-2332
No Charge to Calling Party	800-622-0873
MAJESTIC HOTEL	
1500 Sutter	441-1100
No Charge to Calling Party	800-252-1155
REGIS HOTEL	
490 Geary	928-7900
No Charge to Calling Party	800-854-0011
Aston Hotels Resorts 345 Taylor	673-1700

APPENDIX E

ASTON HOTELS & RESORTS

ASTON Hotels & Resorts

Hotel Mark Twain
Pickwick Hotel
San Francisco's Best Values

RESERVATIONS

ASTON HOTELS & RENTALS	
No Charge to Calling Party	800-922-7866
National Reservation Line	800-92-ASTON
HOTEL MARK TWAIN	
345 Taylor	673-2332
No Charge to Calling Party	800-288-9246
PICKWICK HOTEL	
85 5th	421-7500
No Charge to Calling Party	800-423-3038

APPENDIX F

ASTON HOTELS & RESORTS
Andre S. Tatibouet, CHA, President
Executive Offices: 2255 Kuhio Avenue
Honolulu, HI 96815-2658
Telephone: (808) 923-0746
Toll Free Reservation No. (800) 922-7666 (USA)
(800) 432-6733 ext. 250 (Canada)

HOTEL or MOTEL	LOCATION	ROOMS
Hotel Mark Twain	San Francisco, CA	120
Regis Hotel	San Francisco, CA	74
The Majestic	San Francisco, CA	59
Coral Reef Hotel	Honolulu, HI	247
Island Colony	Honolulu, HI	740
Honolulu Prince	Honolulu, HI	125
Aston Waikiki Beach Tower	Honolulu, HI	136
Waikiki Sunset	Honolulu, HI	435
Waikikian on the Beach	Honolulu, HI	136
Inn on the Park	Honolulu, HI	238
Hawaiian Monarch	Honolulu, HI	278
Waikiki Surfside	Honolulu, HI	80
Aston Kauai Resort	Kapaa, HI	242
Kapaa Shore	Kapaa, HI	81
Pono Kai	Kapaa, HI	217
Kaha Lani	Lihue, HI	74
Kona Islander Inn	Kailua-Kona, HI	144
Aston Royal Sea Cliff Resort	Kailua-Kona, HI	150
Aston The Shores at Waikoloa	Kohala, HI	120
Kona by the Sea	Kona, HI	86

Aston Kamaole Sands	Kihei, HI	440
Maui Vista	Kihei, HI	285
Maui Hill	Kihei, HI	140
Maui Lu Resort	Kihei, HI	170
Aston Kaanapli Shores	Lahaina, HI	463
Mahana at Kaanapali	Lahaina, HI	216
Maui Kaanapali Villas	Lahaina, HI	253
Napili Point	Lahaina, HI	115
Paki Maui	Lahaina, HI	106
Maui Park	Lahaina, HI	288
Hotel Molokai	Kaunakakai, HI	56
Pau Hana Inn	Kaunakakai, HI	39
Aston Flamingo Cancun	Cancun, Mexico	162

Number of Properties 33/Rooms 6,514

APPENDIX G

MELVILLE OWEN (SBN 27373)
TIMOTHY J. HUMPHREY (SBN 150642)
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Attorneys for Defendant
Hotel Corporation of the Pacific, Inc.
d.b.a. Aston Hotels & Resorts

UNITED STATES DISTRICT COURT
NORTHERN DISTRICT OF CALIFORNIA

PHONOMETRICS, INC.,	Case No. C-96-0707-SC
Plaintiff,	JOINDER OF MOTION FOR A STAY, OR, IN THE ALTERNATIVE, FOR A MORE DEFINITE STATEMENT
v.	
HOSPITALITY FRANCHISE SYSTEMS, INC., et al.,	
Defendants.	Date: June 28, 1996 Time: Matter submitted on the papers; no appearance, no oral argument pursuant to the instructions of Court Court: The Hon. Samuel Conti

Defendant Hotel Corporation of the Pacific, Inc., d.b.a. Aston Hotels and Resorts, as and for its response to

the complaint filed by Plaintiff, Phonometrics, Inc., hereby joins the Notice of Motion and Motion for a Stay, or, in the Alternative, for a More Definite Statement filed by Defendant Red Lion Hotels, Inc.

Date: April 29, 1996

OWEN, WICKERSHAM & ERICSON

By_____

Timothy J. Humphrey
Attorneys for Defendant Hotel
Corporation of the Pacific, Inc. d.b.a.
Aston Hotels & Resorts

APPENDIX H

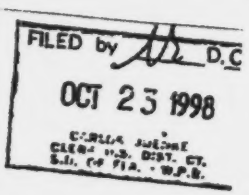
UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

Case No. 97-8125-CIV-RYSKAMP

PHONOMETRICS, INC.,

Plaintiff,

vs.



HOSPITALITY FRANCHISE SYSTEMS, INC., MOTEL 6, L.P., RED LION HOTELS & INNS, INTERSTATE HOTEL CORPORATION, OUTRIGGER LODGING SERVICES, SRS HOTELS, ASTON HOTELS & RESORTS, FOUR SEASONS HOTELS, COLONY HOTELS AND RESORTS, WESTCOAST HOTELS, FAIRMONT HOTEL MANAGEMENT COMPANY, NIKKO HOTELS INTERNATIONAL, CLUBHOUSE INNS OF AMERICA, EZ-8 MOTEL, INC., VAGABOND INNS INC., ECONOMY INNS OF AMERICA, PARK LANE HOTELS INTERNATIONAL, WENDELS CORPORATION, AMFAC RESORTS, SUMMERFIELD SUITES HOTELS, GROSVENOR HOTELS GROUP, PAN PACIFIC HOTELS AND RESORTS, ANA HOTELS INTERNATIONAL, BENCHMARK HOSPITALITY, INNCAL, INC., CHASE MANAGEMENT CORPORATION, RAPHAEL HOTEL GROUP, COASTAL HOTEL GROUP,

Defendants.

_____/

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

ORDER DISMISSING THE PLAINTIFF'S COMPLAINT

THIS CAUSE came before the Court *sua sponte.* By Order filed March 3, 1997, this Court entered an Order staying this case pending appeal of its decision in *Phonometrics v. Northern Telecom,* Case No. 93-6561-CIV-RYSKAMP, and closing the case for administrative purposes. On January 15, 1998, the Federal Circuit affirmed this Court's decision. See *Phonometrics, Inc. v. Northern Telecom,* 133 F.3d 1459 (Fed. Cir. 1998). Accordingly, the Court will vacate its Order closing the case and direct the Clerk of the Court to reopen the file.

By the decision in *Northern Telecom* and the earlier decision in *Intellicall v. Phonometrics,* 952 F.2d 1384 (Fed. Cir. 1983), the Federal Circuit has effectively defined the scope of claim 1 of the plaintiff's '463 patent. The relevant portion of claim 1 of the '463 patent requires a "call cost register means, including a digital display, for providing a substantially instantaneous display of cumulative call cost in dollars and cents." *Northern Telecom,* 133 F.3d at 1464. In *Northern Telecom,* the Court explained that the term "substantially instantaneous" means that the "register displays cumulative costs as they accrue, in real time, and not only once the call has ended." *Id.* at 1465. Moreover, the Court in *Intellicall* had previously established that the term "digital display" means a visual display and not machine readable information. *See Intellicall,* 952 F.2d at 1387-88.

Therefore, it is clear on the basis of the *Northern Telecom* and *Intellicall* decisions, that in order for the plaintiff to state a cause of action for infringement of claim 1 of its '463 patent, the plaintiff must allege that every defendant's call cost accounting equipment;

(1) displays cumulative costs in real time as the accrue, and

(2) displays these costs on a visual digital display. The plaintiff's complaint does not make these allegations. Accordingly, the Court will dismiss the plaintiff's complaint with leave to amend.[1]

On the basis of these considerations, it is

ORDERED AND ADJUDGED that

1. This Court's Order filed March 3, 1997, be, and the same is hereby VACATED. The Clerk of the Court shall REOPEN the case.

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[1] Without expressing any opinion as to the merits of the plaintiff's complaint, the Court simply notes that Rule 11 provides that: [b]y presenting to the court (whether by signing, filing, submitting or later advocating) a pleading, . . . an attorney . . . is certifying that to the best of the person's knowledge, information, and belief, formed after an inquiry reasonable under the circumstances, (3) the allegations and other factual contentions have evidentiary support or, if specifically so identified, are likely to have evidentiary support after a reasonable opportunity for further investigation or discovery. . ." Fed.R.Civ.P. 11.

2. The plaintiff's complaint is hereby DISMISSED with leave to amend. The plaintiff shall have twenty (20) days from the date of entry of this Order to file an amended complaint.

DONE and ORDERED at the United States District Court, West Palm Beach, Florida this 23rd day of October, 1998.

KENNETH L. RYSKAMP
UNITED STATES DISTRICT JUDGE

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APPENDIX I

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH

IN RE PHONOMETRICS LITIGATION,
_____/

PHONOMETRICS, INC., Plaintiff,
v.

ITT SHERATON CORP.	No. 94-6502-Civ-Ryskamp
HILTON HOTELS CORP.	No. 94-6503-Civ-Ryskamp
WESTIN HOTEL CO.	No. 94-6504-Civ-Ryskamp
HYATT CORP.	No. 94-6688-Civ-Ryskamp
HOLIDAY INNS, INC.	No. 94-6689-Civ-Ryskamp
BEST WESTERN INTL. INC.	No. 94-6690-Civ-Ryskamp
EMBASSY SUITES INC.	No. 94-6949-Civ-Ryskamp
FORTE HOTELS, INC.	No. 94-7085-Civ-Ryskamp
CONCORD HOTELS INC.	No. 94-7087-Civ-Ryskamp
CHOICE HOTELS INTL. INC.	No. 94-7097-Civ-Ryskamp
WYNDHAM HOTEL CO.	No. 94-7106-Civ-Ryskamp
HOSPITALITY INTL. INC.	No. 94-7107-Civ-Ryskamp
TRIMARK HOTEL	No. 94-7110-Civ-Ryskamp
LA QUINTA INNS INC.	No. 94-7127-Civ-Ryskamp
CONTINENTAL COS.	No. 94-7130-Civ-Ryskamp
HAMPTON INNS INC.	No. 95-6209-Civ-Ryskamp
HOST MARRIOT CORP.	No. 94-6533-Civ-Ryskamp
INTER-CONTINENTAL	No. 94-6691-Civ-Ryskamp
HOSPITALITY FRANCHISE	No. 97-8125-Civ-Ryskamp
ACCOR NORTH AMERICA	No. 94-7129-Civ-Ryskamp

Defendants.
_____/

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA

ORDER DENYING THE DEFENDANTS REQUEST FOR TELEPHONIC STATUS CONFERENCE AND ORDER LIMITING SCOPE OF DISCOVERY

THIS CAUSE comes before the Court upon the Defendants Red Lion's and RHI's Request for Telephonic Status Conference and Request for Stay of Discovery [DE 68], filed March 29, 2000. The Defendants also bring to the Court's attention an outstanding motion for a more definite statement filed on April 29, 1996. However, in light of the Federal Circuit's recent ruling reversing and remanding this Court's order dismissing the plaintiff's suit, the Court shall deny the Defendants' motion for a more definite statement.

Given the Federal Circuit's remand order, parties shall proceed with discovery. However, discovery shall be limited to whether the defendants possess or use any "device which displays the cumulative cost of a long distance call both as charges accrue during the call and after the call has been terminated," consistent with the decision in *Phonometrics, Inc. v. Northern Telecom, Inc.*, 133 F.3d 1459 (Fed. Cir. 1998).

ORDERED AND ADJUDGED that the Defendants Red Lion's and RHI's Request for Telephonic Status Conference and Request for Stay of Discovery [DE 68] is hereby DENIED.

DONE AND ORDERED in Chambers at West Palm Beach, Florida this 3rd day of April, 2000.

KENNETH L. RYSKAMP
U.S. DISTRICT JUDGE

APPENDIX J

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF FLORIDA
WEST PALM BEACH

Case No. 97-8125-Civ-Ryskamp/Vitunac

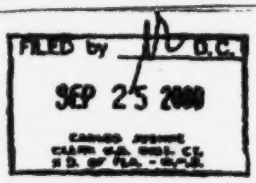
PHONOMETRICS, INC., a Florida Corporation,

Plaintiff,

v.

HOSPITALITY FRANCHISE SYSTEMS, INC., et al.,

Defendants.



ORDER GRANTING DEFENDANT HOTEL CORPORATION OF THE PACIFIC'S (ASTON) MOTION TO DISMISS

THIS CAUSE is before the Court upon Defendant Hotel Corporation of the Pacific's, d/b/a Aston Hotels & Resorts' (Aston) Motion to Dismiss [DE 113], filed May 3, 2000. On May 18, 2000 Plaintiff filed a Response [DE 128]. On May 26, 2000, Defendant filed a Reply [DE 134]. A hearing [DE 155] was held on this matter on July 27, 2000. On August 28, 2000 both parties filed supplemental materials [DE 157, 158]. Aston's motion is now ripe for consideration.

I. BACKGROUND

On February 22, 1996 the Plaintiff Phonometrics filed suit in California against Aston, and other defendants, for allegedly infringing United States Patent No. 3,769,463, which was issued on October 30, 1973 and expired on October 30, 1990. On May 24, 1996, Aston executed a waiver of service, but on July 1, 1996, all proceedings were stayed by the California District Court, and on December 11, 1996, this action was transferred to this Court by the Judicial Panel on Multidistrict Litigation pursuant to 28 U.S.C. §1407. Plaintiff's suit was dismissed on October 23, 1998, but was subsequently reinstated by the Eleventh Circuit on February 9, 2000. This Court therefore reopened the matter on April 19, 2000.

Once the case was reopened, Aston filed a Motion to Dismiss [DE 113] on May 3, 2000. In its motion, Aston, a Hawaiian corporation, claims that this Court lacks personal jurisdiction in this matter because 1) Aston is not reached by California's Long-Arm Statute [1], and 2) Aston does not have the minimum contacts required with the forum state to satisfy the Due Process Clause of the United States Constitution. Aston asserts through the affidavit and testimony of Senior Vice President Beverly A. Kirk that it does not and never has maintained a place of business in the State of California, and is not and never has been a

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[1] Both parties agree that California's Long-Arm Statute, not Florida's, is appropriate for application to Aston's Motion to Dismiss.

resident of California. Ms. Kirk also denies the allegation in Plaintiff's complaint that Aston maintains a business in San Francisco, California.

Plaintiff responds by presenting evidence to support its claim that Aston conducts business in California. Plaintiff submits, *inter alia*, a 1994 Directory of Hotel & Motel Companies which lists the Hotel Mark Twain and Pickwick Hotel, both in San Francisco, as Aston Hotels & Resorts, a telephone directory which lists the Mark Twain's address in San Francisco, and an advertisement for these two hotels which depicts each as Aston Hotels & Resorts. Aston explains, however, that it only owns hotels located in Hawaii, and that the Hotel Mark Twain and Pickwick Hotel are the product of an oral agreement with these hotels to allow the use of the Aston name. According to Aston, it does not manage or own these hotels, derives no profits from their operation, and is in fact not even licensed to do business in California at all. The only connection between Aston and the California hotels using the Aston name is a shared toll-free number used for reservations, from which Aston receives no profits from callers who make reservations in San Francisco.

II. DISCUSSION

Where the defendant to an action is a foreign corporation, a federal court may exercise personal jurisdiction only to the extent permitted by the forum state's long-arm statute and the Due Process Clause of the

United States Constitution. See 3D Sys. v. Aerotech Labs, Inc., 160 F.3d 1373 (Fed. Cir. 1998). This Court must therefore perform a two-part analysis, determining first whether the California Long-Arm Statute reaches Aston, then determining whether Aston has sufficient minimum contacts to satisfy the Due Process Clause and ensure that maintenance of the suit does not offend "traditional notions of fair play and substantial justice" pursuant to International Shoe Co. v. Washington, 326 U.S. 310, 316 (1945). See Sculptchair, Inc. v. Century Arts, Ltd., 94 F.3d 623, 626 (11th Cir. 1996); ABL-USA Enterprises, Inc. v. Hawk Aviation, 15 F.Supp.2d 1297 (S.D. Fla. 1998) (both describing the two-step analysis, but applying the Florida Long-Arm Statute). Because California's Long-Arm Statute simply states that it is co-extensive with the limits of the United States Constitution, this Court need only address the Constitutional aspects of the two-part test. See Cal. Code Civ. Proc. §410.10; Core-Vent Corp. v. Nobel Indus. AB, 11 F.3d 1481, 1484 (9th Cir. 1993); Allegient Physicians Serv., Inc. v. Sturdy Mem. Hosp., 926 F.Supp. 1106, 1112 (N.D. Ga. 1996).

In order for Aston, a Hawaiian corporation, to be subject to personal jurisdiction in California, it must have "significant contacts" with that state, such that it would expect to be hailed into court there. See International Shoe, 326 U.S. at 316. Such significant contacts could subject Aston to either "general jurisdiction," based upon contacts so pervasive as to subject it to jurisdiction on any matter, or "specific jurisdiction," based only upon those contacts

related to the plaintiff's claim. See Helicopteros Nacionales de Colombia S.A. v. Hall, 466 U.S. 408, 414 (1984). In order to satisfy either of these standards, Aston must have purposefully availed itself of the benefits of the forum state's laws, and any imposed jurisdiction must be reasonable and fair. See Data Disc Inc. v. Systems Tech. Assoc., Inc., 557 F.2d 1280, 1287 (9th Cir. 1977).

In the instant case, Aston's extremely minimal contacts with California justify neither general nor specific jurisdiction. It is not refuted that Aston neither manages nor owns any hotels in California, but rather operates hotels exclusively in Hawaii. Although Plaintiff asserts that the Hotel Mark Twain and Pickwick Hotels in San Francisco, California constitute contacts with the forum state, Aston presents evidence that those hotels are owned by HCP, Inc., merely use the Aston name, do not produce profits from Aston, and are not managed by Aston. Only a shared toll-free reservation line ties the two entities together – an arrangement that does not constitute substantial contacts with California and cannot therefore subject Aston to personal jurisdiction in this case. Merely sharing a toll-free number with a California business does not show that Aston purposefully availed itself of the benefits of California law, nor does it demonstrate that Aston could reasonably expect to be hailed into court in California. For these reasons, it is

ORDERED AND ADJUDGED that Defendant Aston's Motion to Dismiss [DE 113], filed May 3, 2000, is

hereby GRANTED. Further, FINAL JUDGMENT is hereby entered in favor of Defendant Hotel Corporation of the Pacific, d/b/a Aston Hotels & Resorts (Aston).

DONE AND ORDERED in Chambers in West Palm Beach, Florida, this 25th day of September, 2000.

KENNETH L. RYSKAMP
UNITED STATES DISTRICT JUDGE